

January 20, 1999

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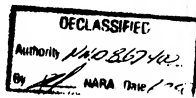
Dear Fritz:

Below is a round-up, as seen from here, of future developments in the East-West field which may be of interest to the Ambassador, to you, and to Joe.

1) Four-Power Working Group: The chances now appear good that the Four-Power Working Group will meet in Washington. All except the British have agreed, and there is no known reason why they will object. The Working Group will probably convene some time in the earlier part of February, and the first order of business will be to draft a reply to the Soviet note on Germany. Plans are to get the reply out fairly quickly, certainly well before the April Meeting.

The Working Group will also, however, be undertaking a re-examination of our general policy on German unification and European security in preparation for whatever meeting is going to be held with the Soviets. The development of a substantive U.S. position on these matters is still in the very primitive stage indicated in Lane's letter to Joe of January 16; there are no really new ideas. Among the ideas being thrown into the hopper are: (1) opening discussions on a German peace treaty (without agreeing, of course, to the unacceptable provisions of the Soviet draft) in order to give the Soviets a chance to retreat from their extreme Berlin position by "talking to death" the German situation; (2) possible "piecemeal" implementation of a German peace treaty, with clauses in the cultural, economic, and information fields, which could be more easily agreed upon, being implemented as they are agreed; and (3) proposals for "partial confederation" in which West and East Germany might retain autonomy in their social and economic institutions, while there was a merger in the foreign affairs and defense fields. Neither these nor any other ideas are being really seriously considered at the present, however.

The Honorable
Frederick E. Holtz, Jr.,
Acting Chief of Mission,
USMO,
Paris.

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2) Meeting with the Soviets on Germany: The specifics of timing, agenda, and level of participation are undetermined at present, but it has now become pretty likely that a meeting of some sort with the Soviets will take place. The chances for a meeting are considerably better than were the chances for a Summit meeting a year ago. As pure guesses, I would say: (1) The timing will be in mid-spring; (2) the agenda is likely to be as open as possible; and (3) the level will probably be Foreign Ministers, perhaps with lower level preparation; it certainly will not be a Summit meeting. This conference is likely, of course, to have quite an impact on our activities, including the April Meeting.

3) Nuclear Test Suspension: The disarmament link has now been severed, I hope without too much bloodshed. The British have been arguing that we should sever the disarmament link in order to focus entirely on the control issue. I have a feeling that the British, in their anxiety to come to some sort of agreement, will now start gradually pressuring us to accept looser control measures than we would like.

There is another possibility which may be looming up in the future. Some serious consideration is being given here, as a last fall-back position, to proposing an agreement merely banning atmospheric tests, leaving underground and very high altitude tests uncontrolled and unbanned. A ban on atmospheric tests would require a very simple and easily-negotiated control system. Present thinking in the Department is that this proposal should not be considered until the negotiations have shown conclusively that the Soviets will not agree on an effective control system for the kind of complete suspension now contemplated. However, sentiment is growing in some quarters for shifting to the simple atmospheric ban fairly soon. AEC favors it, and certain influential Senators have come forward with such a proposal. Do you have any thoughts on the NATO reaction to an atmospheric ban? The French problem would become more manageable, of course. It would also go a considerable way to satisfy so-called "world opinion" objections to nuclear testing, which are largely directed at atmosphere contamination.

4) Surprise Attack: Things are bound to be pretty quiet for some time on this front. The Presidentially-appointed Study Panel, which is supposed to consider how to clarify the terms of references for future talks, is expected to take around three months to do its job.

Sincerely yours,

cc: RA - Mr. Timmons
Mr. Compton

EUR:RA:RFessenden:zb

Russell Fessenden

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P.S. Since writing the foregoing, I have learned of some specific dates under consideration: (1) The Working Group will convene on February 2 (The Italians said this in MAC before it was decided); (2) the working group is to complete its draft reply by February 10; (3) the conference with the Soviets would be called around April 9. This last is a long way from being approved, but definitely represents the current thinking here. Needless to say, it cuts it pretty close with our NATO meeting. Whether this will be a good or bad thing is difficult to judge at this range.

P.P.S. The above P.S. should be very closely held.

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